

CITY OF SEATTLE
RESOLUTION 31503

A RESOLUTION requesting that the Department of Finance and Administrative Services implement a work plan to further resolve and clarify issues relating to taxi, for-hire, limousine, and transportation network company regulations.

WHEREAS, Seattle benefits from a healthy spectrum of transportation choices, including taxis, for-hire vehicles, limousines, and transportation network companies; and

WHEREAS, the 2013 Demand Study undertaken by Taxi Research Partners indicated there is an opportunity for review of safety and service elements in the industry, additional supply during peak time, and possible opportunities to address latent demand throughout the City and County; and

WHEREAS, the City of Seattle regulates for-hire transportation services to ensure safety, reliability, accessibility, and affordability; and

WHEREAS, the City of Seattle also prioritizes that driver requirements and trainings be reasonable and appropriate and drivers are treated fairly across various industries; and

WHEREAS, the City in collaboration with regional partners must continue to review and, if necessary, adapt City regulations and processes to ensure taxis, for-hires, limousines, and transportation network companies offer safe, reliable, accessible, and affordable services;

NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE
MAYOR CONCURRING, THAT:**

Section 1 Scope of Work The Council requests that the Department of Finance and Administrative Services (FAS) work with Council Staff to develop and undertake a work plan to inform Council policy making that includes:

1. A review and update of the for-hire driver training requirements to ensure the training focuses on safety and providing reliable and accessible services. The review should look at appropriateness of the length, content and relevance of the training to for-hire drivers.

1 The review should include a content review of trainings from similar sized jurisdictions,
2 focus groups of for-hire drivers, and input from subject area experts;

- 3 2. A review of the role of Associations in taxicab operations and issue recommendations to
4 the Council on the future of Associations as part of the taxi industry. The review should
5 include focus groups of taxi drivers, Association owners and members, industry experts,
6 and a look at the role of associations in similar sized jurisdictions;
- 7 3. Exploring ways to phase out the flat-rate segment of the for-hire transportation market;
- 8 4. Exploring ways to phase out vesting of for-hire vehicle and taxi licenses so that driving a
9 for-hire vehicle evolves into an occupation for owner-operators;
- 10 5. Working with King County to research and adopt a comprehensive solution for
11 "deadheading." Currently taxis authorized to pick up in King County only must leave the
12 City of Seattle without picking up another fare, leading to a loss of revenue and undesired
13 environmental impacts. FAS should review this issue closely and develop a solution
14 which may include dual licensing, authorizing pick-ups when King County taxis drop off,
15 pre-arranged trips from Seattle from dispatch or mobile applications, or another solution;
- 16 6. Working with representatives from the insurance industry to explore options to lessen the
17 cost of commercial insurance required of for-hire license holders;
- 18 7. Working with stakeholders to develop customer bill of rights for users of the for-hire
19 transport industry;
- 20 8. Partnering with King County to reassess the composition of the Seattle-King County Taxi
21 Commission, including possibly recomposing the Taxi Commission to reflect the
22 landscape of the industry by including representatives from taxi (drivers and owners),
23 for-hire, limousine, and transportation network company members, and retaining
24 positions for hospitality tourist industry and medical facilities, people with disabilities,
25 and seniors;
- 26 9. Exploring and recommending appropriate worker-protective provisions for transportation
27 network companies to ensure equality of bargaining power;
10. Review regulations for existing market participants to determine if they are necessary
and/or can be revised to reduce the current "regulatory burden";
11. Consider innovative ways to increase service & enforcement levels by the City including
automating record keeping and communication between FAS and market participants and

1 reviewing the license lottery system. Consider ways to engage impacted communities
and ensure that hiring practices satisfy the City's RSJI filters;

2 12. Explore ways to lower the cost of insurance for drivers including possibly expanding the
3 grades of insurance and providers that satisfy Seattle's insurance requirements;

4 13. An assessment of taxi regulations to determine whether they provide for equal access to
5 transportation as intended;

6 14. Exploring ways to mitigate the environmental impacts of the taxi, for-hire, limousine, and
7 transportation network company industries, including the potential for reducing
greenhouse gas emissions; and

8 15. Exploring changes to new taxi licenses to allow for co-ownership of taxicab licenses.
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11 **Section 2 Timeline**

12 The Council anticipates considering legislation to implement changes to existing regulations,
13 if any, arising out of its review of the reports and recommendations from FAS by the end of
14 September 2014.

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16 FAS should submit a report on the progress of work program items implemented, if any, by
17 the end of September 2015.
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Adopted by the City Council the _____ day of _____, 2014, and
signed by me in open session in authentication of its adoption this _____ day
of _____, 2014.

President _____ of the City Council

THE MAYOR CONCURRING:

Edward B. Murray, Mayor

Filed by me this _____ day of _____, 2014.

Monica Martinez Simmons, City Clerk

(Seal)

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
LEG	Tony Kilduff / 4-3580	n/a

Legislation Title:

A RESOLUTION requesting that the Department of Finance and Administrative Services implement a work plan to further resolve and clarify issues relating to taxi, for-hire, limousine, and transportation network company regulations

Summary of the Legislation:

This legislation asks that the Department of the Department of Finance and Administrative Services to work with Council Staff to implement a work plan to further resolve and clarify issues relating to taxi, for-hire, limousine, and transportation network company regulations.

Background:

TNCs like Uber, Lyft, and Sidecar, represent that they are facilitating peer-to-peer sharing of passenger vehicles and hence not subject to regulation by the City. However, the City Council finds that the TNCs and the drivers who operate on their systems are engaged in the transportation of persons for compensation and therefore do fall within the regulatory authority granted the City by Article 11, Section 11 of the Washington State Constitution and RCW 46.72.160.

Because the TNC business model involves dispatching traditional for-hire drivers and vehicles as well as non-professional casual drivers, regulating them raises a number of policy questions. Cities are more familiar with regulating traditional for-hire modes of transportation such as taxis and models for that, both good and bad, abound. As these companies have begun operations within the last year and a half, there are not yet good models of regulation for peer-to-peer services. It would be easier to ban them, as several cities have already done, than to find a regulatory framework that allows them to function while protecting other interests of the City. However, the Council sees value in the transportation services these companies provide and would like to encourage them. These new entrants to the market have the potential to disrupt existing for-hire services that the Council also views as important to the public. The Council would therefore like to strike a balance between the new and existing services. To that end, this Ordinance would establish a pilot period of approximately two years during which the growth of the TNCs would be limited to allow existing for-hire services to adapt to their operation.

The specific limits under consideration are as follows:

- Require that anyone driving for a TNC be either a for-hire licensed driver in a for-hire

- licensed vehicle or the holder of a special permit allowing them to drive for the TNC;
- Require that TNCs ensure that any driver on their system has full casualty and property insurance that covers commercial activity while they are active on the system;
 - Require that permit holders meet certain requirements including passing a background check and undergoing safety and defensive driving training;
 - Require that the unique vehicle used by the permit holder meets certain safety standards; and
 - Require the TNCs to report information from their systems deemed necessary or convenient to allow enforcement of regulations.

In addition to establishing regulations for TNCs, this Ordinance also makes changes to the regulations on existing for-hires to provide them more flexibility in the market. Specific changes include:

- Allow flat-rate vehicles limited access to street hails;
- Allow both flat-rate vehicle and taxis to work for TNCs while operating in their traditional capacities;
- Allow county-only for-hires to pick up fares in the city if they are operating under a standing written agreement;
- Allow WAT license owners to cease driving after five years to be consistent with other for-hires.

In response to a market demand study that found insufficient supply of for-hire services during certain peak periods, this legislation also increases the number of new taxi licenses by 150 over two years.

Please check one of the following:

This legislation does not have any financial implications.

(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

This legislation has financial implications.

(If the legislation has direct fiscal impacts (e.g., appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" Section. Please delete the instructions provided in parentheses at the end of each title and question.)

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No.
- b) **What is the financial cost of not implementing the legislation?**

None.

c) Does this legislation affect any departments besides the originating department?

(If so, please list the affected department(s), the nature of the impact (financial, operational, etc), and indicate which staff members in the other department(s) are aware of the proposed legislation.)

Yes, the Department of Finance and Administration.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives? (Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)

None.

e) Is a public hearing required for this legislation?

(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?)

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

(For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.)

No.

g) Does this legislation affect a piece of property?

(If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.)

No.

h) Other Issues:

List attachments to the fiscal note below:

